



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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## **FDIC Offers Tips for Keeping Costs Down on Checking and Savings Accounts**

*Other topics in the latest FDIC Consumer News include the permanent increase in federal deposit insurance coverage to \$250,000 and money management strategies for young adults*

New rules limit the fees banks and other financial institutions can charge on some services, so it's possible that the costs of *other* services, such as checking and savings accounts, could go up. The Summer 2010 issue of **FDIC Consumer News**, published by the Federal Deposit Insurance Corporation, features ways that careful consumers may avoid unnecessary costs on their deposit accounts. Other timely topics include the permanent increase in the basic federal deposit insurance limit to \$250,000 and personal finance advice for young adults.

As for keeping costs down on checking and savings, the FDIC's tips include the following basics:

- **Comparison shop.** Look at what is being offered by your bank and a few competitors, especially if your bank imposes new fees.
- **Monitor communications from your bank.** Promptly check account statements for errors that can cost you money and fees you didn't realize you were incurring.
- **Understand your overdraft options.** By far, the best and cheapest way to avoid overdrafts is to keep a good record of your transactions and have enough funds in your account to cover your anticipated withdrawals. You should also be aware of the new opt-in rules for overdraft coverage for one-time debit card purchases and ATM withdrawals for a fee, and less-expensive alternatives to overdraft coverage, such as linking your checking account to a savings account, overdraft lines of credit and small-dollar loans.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-197-2010**

- **Minimize ATM fees.** When you need cash and you're not near your bank or one of its ATMs, know your options. One possibility is to use your debit card when making a purchase and ask for cash back, but confirm with your bank that this transaction is free.

The permanent increase in the basic federal deposit insurance limit — from at least \$100,000 to at least \$250,000 per depositor — was included in the new financial reform law adopted in July. Under prior law, the basic federal deposit insurance limit was set to revert back to \$100,000 on January 1, 2014.

"With this permanent increase of deposit insurance coverage to \$250,000, depositors with CDs (certificates of deposit) above \$100,000 but below \$250,000 will no longer have to worry about losing coverage on those CDs maturing beyond 2013," said FDIC Chairman Sheila C. Bair.

Other articles on deposit insurance discuss what to know and do if your bank has been closed, and how a special FDIC insurance rule protects customers with deposits over the \$250,000 limit for at least six months after a merger or a closing. The FDIC's money tips for young adults stress the importance of creating a basic plan — the sooner the better — for boosting savings, controlling spending, building a good credit record and protecting against financial fraud.

The goal of **FDIC Consumer News** is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Summer 2010 edition can be read or printed at [www.fdic.gov/consumers/consumer/news/cnsum10](http://www.fdic.gov/consumers/consumer/news/cnsum10). The FDIC also is offering the article for young adults as a separate, two-page reprint. To print copies of that article in any quantity, go to [www.fdic.gov/consumers/consumer/news/cnsum10/starting\\_out\\_on\\_your\\_own.pdf](http://www.fdic.gov/consumers/consumer/news/cnsum10/starting_out_on_your_own.pdf).

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